

# The Consumer Services Department

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***Protecting the Consumer***  
**Enforcing the Law**

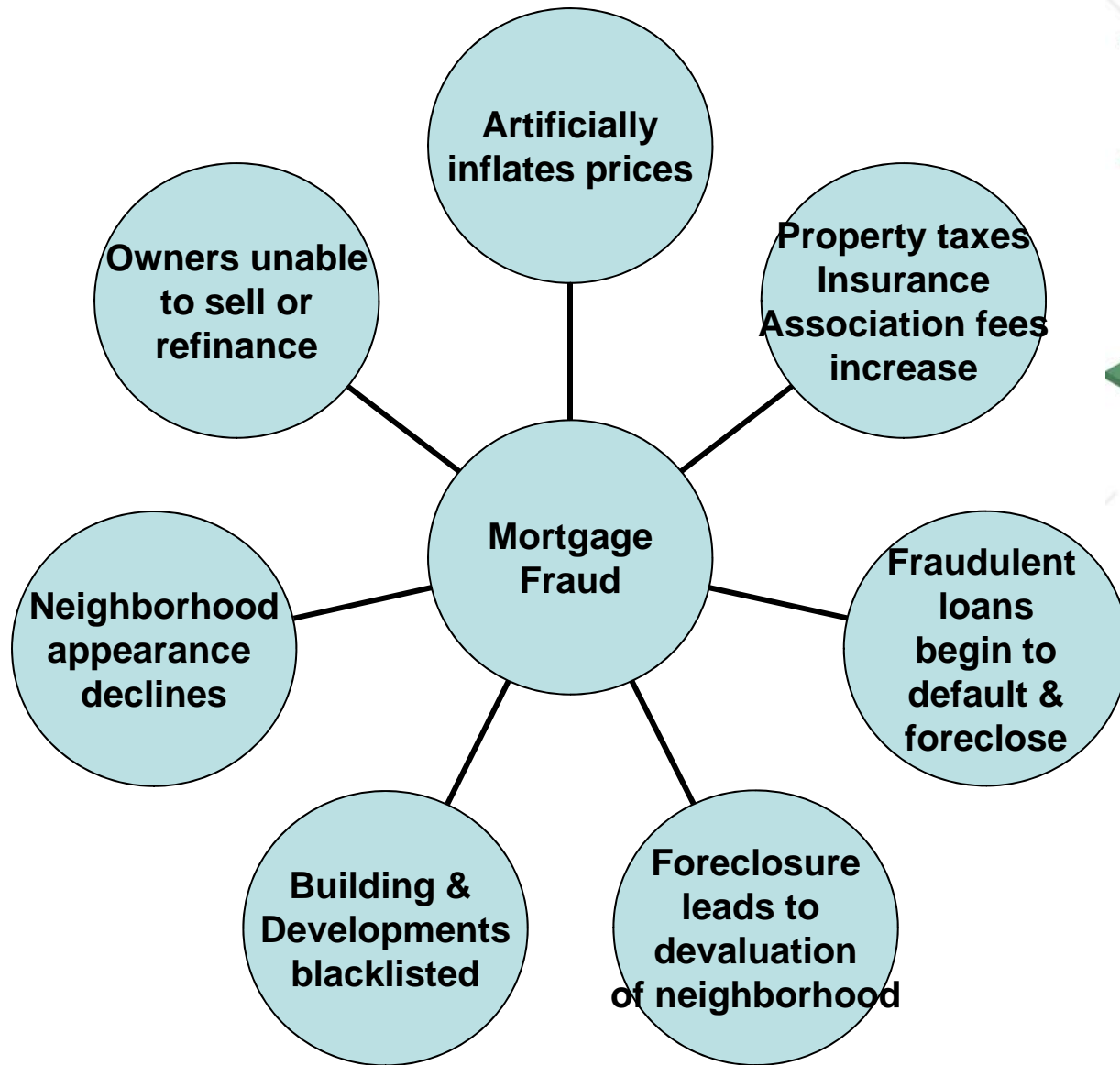




# Mortgage & Foreclosure Rescue Fraud

- Most common complaint in 2008 (Florida Attorney General)
- **7,305** complaints filed in 2008
- July 2009 - Florida has second-highest foreclosure rate in the country
- Currently, 73 active investigations and more than 300 companies under review by Florida Attorney General's Office

# Mortgage Fraud Affects Everyone



# The Advertisements ...

## Watch out for these red flags



- *“Stop foreclosure now!”*
- *“We guarantee to stop your foreclosure.”*
- *“We can save your home. Guaranteed. Free consultation.”*

# How the schemes work?



- **Phantom Help**

- You're asked to pay a fee first.
- Told not to contact your lender, lawyer or credit counselor.
- Told to make all mortgage payments directly to the foreclosure rescue consultant.

# How the schemes work? ... continued

- **Bait & Switch**

- You think you're signing documents for a new loan to make your existing mortgage current.
- You have surrendered the title of your house.



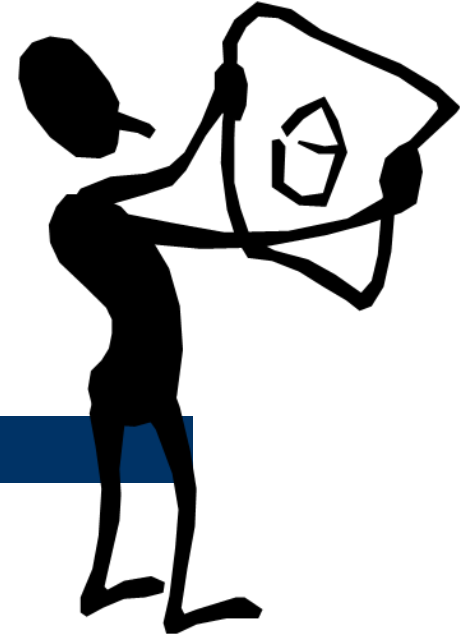
# More schemes



- **Rent-to-Buy**

- Surrender your title and live in your house as a renter with the option to buy it back.
- The homeowner can't afford the terms. The scam artist raises the rent and then evicts the homeowner when they can't pay.
- They sell the house.

## And more schemes ...



- Consultant offers to find a buyer for your home if you sign over the deed and move out.
- Once you transfer the deed, the scam artist rents your home to someone else, pockets the money, while your lender proceeds with foreclosure.
- You're still responsible for the unpaid mortgage.



# Protect Yourself



- Know what you are signing
- Get promises in writing
- Make mortgage payments directly to your lender
- Be very careful about signing over your deed

**\*\*\*Contact your mortgage lender as soon as you think you are unable to make your mortgage payment**

# Check Complaint History or File a Complaint



- **Better Business Bureau**
  - [www.bbb.org](http://www.bbb.org)
- **Federal Trade Commission**
  - [www.ftc.gov](http://www.ftc.gov)
- **Florida Department of State – Division of Corporations**
  - [www.sunbiz.org](http://www.sunbiz.org)
- **Florida Attorney General's Office**
  - [www.myfloridalegal.com/mortgagefraud](http://www.myfloridalegal.com/mortgagefraud)

# Foreclosure Rescue Fraud Prevention Act 2008



Requires a foreclosure rescue consultant to:

- Provide a written agreement to the consumer and obtain the consumer's signature before beginning any services
- Cannot charge any fees until all the services listed in the contract have been completed

# Foreclosure Rescue Fraud Prevention Act 2008



- Provide a “cooling-off” period
  - Right to cancel the contract or a transfer of their home 3 days after signing
- Before any instrument that transfers title to the property can be executed, the buyer (investor) must execute a separate contract with all the terms and conditions of the proposed property transfer.

# Foreclosure Rescue Fraud Prevention Act 2008



- If the transaction takes place and the homeowner is remaining in the home and making payments to the new owner, the homeowner is afforded a 30-day right to cure any default of the terms of the repurchase agreement.

# Loan Modifications



- Do it yourself
  - Contact your lender's loss mitigation or home retention department
  - Submit your letter of financial hardship detailing your financial circumstances
  - Be persistent and maintain records of your communications
- Learn about the federal programs available for homeowners
- Be patient

# Get Legitimate Help



- U.S. Department of Housing and Urban Development (HUD)
  - (800) 569-4287
  - [www.hud.gov](http://www.hud.gov)
- Homeownership Preservation Foundation
  - (888) 995-HOPE
  - [www.995hope.org](http://www.995hope.org)
- Making Home Affordable
  - [makinghomeaffordable.gov](http://makinghomeaffordable.gov)
- Foreclosure Prevention Now
  - [www.miamidade.gov/foreclosure](http://www.miamidade.gov/foreclosure)



# **CONSUMER SERVICES DEPARTMENT**

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